



# **STATE OF INDIANA**

## **Request for Services 11-9**

### **INDIANA DEPARTMENT OF ADMINISTRATION**

#### **On Behalf Of**

#### **INDIANA FAMILY AND SOCIAL SERVICES ADMINISTRATION, OFFICE OF MEDICAID POLICY AND PLANNING**

#### **Solicitation For:**

#### **Fraud and Abuse Detection Services**

**Response Due Date: September 13, 2010**

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Indianapolis, IN 46204

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## **SECTION ONE**

### **GENERAL INFORMATION AND REQUESTED PRODUCTS/SERVICES**

#### **1.1 INTRODUCTION**

In accordance with Indiana statute, including IC 5-22-9, the Indiana Department of Administration (IDOA), acting on behalf of the Family and Social Services Administration (FSSA), Office of Medicaid Policy and Planning (OMPP), seeks program assistance related to the identification and prevention of fraud, waste, and abuse. These services should include 1) Data mining, analytics, and tracking tools specific to the detection of fraud, waste, and abuse, including standard and State specific algorithms; 2) The provision of on-site subject matter experts with combined experience in the following areas: fraud and abuse, coding and reimbursement, claims processing, Medicaid medical and administrative policy, recoveries, and provider relations; 3) Reporting capabilities that include the ability to generate standard reports that align and are compliant with CMS and State reporting requirements; 4) Implementation and tracking of cost avoidance methodologies that include provider education related to the proper reporting of health care services, and 5) Ability to provide the State of Indiana's Medicaid program with a contingency-based Recovery Audit Contractor (RAC) ~~program that is~~ compliant with Section 6411 of the Patient Protection and Affordable Care Act.

##### **1.1.1 Business Need**

Indiana's Family and Social Services Administration (FSSA) provides medical and social services to over 1.2 million low-income residents – paying \$6.8 billion annually to more than 26,000 medical providers.

Indiana's Medicaid Program Integrity efforts cover Medicaid payments for all of Indiana Health Coverage Programs (IHCP). Program Integrity efforts are led by the Office of Medicaid Policy and Planning (OMPP). The efforts of these units enhance IHCP's stewardship of public funds by providing a comprehensive, integrated approach to the identification and prevention of fraud, waste and abuse in IHCP programs. Indiana's Program Integrity staff relies on the availability of current technology and high quality data to perform program integrity analyses/reports and is committed to safeguarding healthcare and social services program expenditures through new and innovative approaches to the detection and prevention of fraud, waste and abuse.

OMPP seeks to establish a strong partnership with an innovative Fraud and Abuse Detection System (FADS) Contractor who can deliver the combination of technology, consulting, and auditing services necessary to expand program integrity efforts in Indiana.

FSSA is currently in the process of procuring a new Medicaid Management Information System (MMIS) system currently slated for 2014. It is important to understand that the new FADS is not intended to duplicate functions that will be carried out by the MMIS. The new FADS will be considered to be an enhancement of function to the MMIS and is intended to be an advanced system that will build on and enhance fraud and abuse

detection capabilities.

Data mining and data analysis conducted by the Contractor and state staff in the new FADS is expected to identify inappropriate payments that will result in recoveries from providers. In addition, FADS analysis will identify system and/or policy issues that need to be addressed. Both areas will result in overall savings to IHCP and will increase the State of Indiana's payment integrity return on investment, result in recoveries from providers, or identify providers in need of additional training.

### 1.1.2 **Current FADS Overview**

The Decision Support System (DSS) Profiler, implemented in mid-2005, is an integrated query, reporting and analysis tool that uses information from the DSS Data Mart. The DSS Profiler has been utilized to obtain over 110 profile reports for members and providers. The reports include exception ranking for providers that rank greater than two standard deviations above their peers.

The following illustrates the range of technical functions and services provided by the current IHCP vendor for DSS Profiler. This information serves as historical reference only. In addition to current capabilities, this RFS seeks expanded functions and services that are not a part of the current environment.

The current Indiana DSS Profiler includes the following features:

- A feature which allows state staff users to create and run inquiries against any of the data within the DSS Profiler. In creating inquiries a user can select and qualify on numerous fields in DSS Profiler. The DSS Profiler enables comparisons of expected and paid amounts
  - among a specific provider or recipient peer group
  - between a specific provider or recipient and their peer group
- Users can download the results of their inquiries to their local environment and further manipulate the data using commonly available tools such as Microsoft Excel and Access. Inquiries can be saved for reuse and/or can be shared with other DSS Profiler users.
- Search functionality which allows users to quickly search and bring back key elements pertaining to data contained in the DSS Profiler System.
- Various reports such as exception reports and comparison reports used by our Program Integrity staff to assist in the review of aberrant billing practices, audit planning, and utilization review. In addition to the ranking scores, reports bring back results by peer group with payment and utilization data pertaining to each provider's claims. Statistics and graphs are also presented to assist in review. Users can see provider and recipient demographics and relevant claims data.
- In the Provider to Peer Group Comparison Reports, the current DSS Profiler provides the following:
  - Display and compare all providers within a Provider Peer Group for the report's claim type

- Indicate which providers fall outside of service dollar “norms” in terms of reimbursement
- Display and compare all providers within a Provider Peer Group for the report’s claim type
- All information is age and gender adjusted so that differences in patient mix do not affect the results
- Providers that are 2 standard deviations above or below the “norm” for the peer group are highlighted
- In addition, there is a feature for Random Sample Request which generates a random claim sample set for either a provider or a recipient.
- Generation of data and special/ad hoc reports as requested by FSSA/OMPP management.

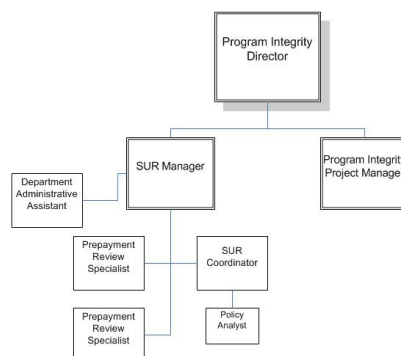
A stand-alone Surveillance and Utilization Review System (SURS) Database has been created which supports current case tracking where leads and cases can be tracked from inception to archive. Data is easily entered and shared and available for reporting purposes. Notes and documentation can be stored for easy reference.

- Within the SURS Database, functionality is present to support tracking provider phone calls regarding overpayments and management of informal dispute resolution process documentation review with providers.

### 1.1.3 Current FADS Personnel

OMPP’s current Program Integrity and SUR organization is presented in the chart below:

**Program Integrity Department**



## 1.2 DEFINITIONS AND ABBREVIATIONS

Following are explanations of terms and abbreviations appearing throughout this RFS. Other special terms may be used in the RFS, but they are more localized and defined where they appear, rather than in the following list.

Contractor	The Respondent receiving an award as a result of this solicitation.
CMO	Care Management Organization
CMS	Centers for Medicare and Medicaid Services.
IAC	The Indiana Administrative Code.
IC	The Indiana Code.
IHCP	Indiana Health Coverage Programs.
FADS	Fraud and Abuse Detection System.
Fiscal Agent	OMPP Contractor responsible for managing the information systems related to the processing and reporting of enrollment, claims, and encounter data. This Contractor is responsible for auto-assignment, enrollment rosters, making capitation payments to MCOs and CMOs, and for reimbursing fee-for-service providers on behalf of OMPP.
Full Time Equivalent (FTE)	The State defines FTE as a measurement of an employee's productivity on a specific project or contract. An FTE of 1 would mean that there is one worker fully engaged on a project. If there are two employees each spending 1/2 of their working time on a project that would also equal 1 FTE.
Implementation	The successful implementation of surveillance and utilization review services at the Indiana Government Center as specified in the contract resulting from this RFS.
IndianaAIM	The name of the State's medical assistance and payment information system; the acronym stands for Indiana Advanced Information Management System.
Installation	The delivery and physical setup of products or services requested in this RFS.
MCO	Managed Care Organization
MFCU	Medicaid Fraud Control Unit.

Other Governmental Body	An agency, a board, a branch, a bureau, a commission, a council, a department, an institution, an office, or another establishment of any of the following: (1) The judicial branch. (2) The legislative branch. (3) A political subdivision (includes towns, cities, local governments, etc.) (4) A state educational institution (including charter schools)
Products	Tangible goods or manufactured items as specified in this RFS.
Proposal	An offer as defined in IC 5-22-2-17.
Respondent	An offeror as defined in IC 5-22-2-18. The State will not consider a proposal responsive if two or more offerors submit a joint or combined proposal. One entity or individual must be clearly identified as the Respondent who will be ultimately responsible for performance of the contract.
Services	Work to be performed as specified in this RFS.
State	The State of Indiana.
State Agency	As defined in IC 4-13-1, "state agency" means an authority, board, branch, commission, committee, department, division, or other instrumentality of the executive, including the administrative, department of state government.
Subcontractor:	Any person having a contract to perform work or render service to Contractor as a part of the Contractor's agreement arising from this solicitation.
SUR	Surveillance and Utilization Review.
Vendor	Any successful Respondent selected as a result of the procurement process to deliver the products or services requested in this RFS.
Work	All labor, materials, equipment and services provided or to be provided by the Contractor to fulfill the Contractor's obligations under the Contract.

### **1.3 PURPOSE OF THE RFS**

In order to meet the objectives of this RFS, the successful vendor will be able to meet or exceed the following objectives:



- Procure and implement the latest technologies and procedures in fraud and abuse detection. This system will replace the current FADS and provide additional technical functionalities above and beyond those of the current FADS in order to meet the current and projected business needs of OMPP.
- Secure a team that includes individuals with experience in Medicaid fraud, waste, and abuse detection that will support OMPP in expanding our current Program Integrity efforts as well as exploring new areas of fraud, waste, and abuse prevention and detection.
- Develop and support new methods of detecting and preventing member and provider fraud, waste and abuse through the use of technology and services, in the following areas:
  - Medicaid Fee-for-Service
  - Medicaid Managed Care

#### **1.4 SUMMARY SCOPE OF WORK**

The State of Indiana, through the Office of Medicaid Policy and Planning, hereafter called “OMPP”, is initiating this procurement to solicit proposals from vendors interested in partnering with OMPP to develop, implement and maintain a Fraud and Abuse Detection System (the “FADS” or “System”) and provide fraud, waste and abuse expertise and services. The FADS will include new detection and analytical tools, as well as services which will enable OMPP to build upon its Program Integrity efforts. The FADS will leverage the newest technology, fraud and abuse detection techniques, methodologies and services available in the marketplace.

This procurement will provide a system, services and partnership between the successful Respondent and OMPP. The Respondent shall be required to fulfill the following tasks:

- Develop and maintain solutions and technologies that identify fraud, waste and abuse.
- Provide a business solution that shall include Project Management Services and the necessary core implementation team to implement, maintain and provide support for processes and technology for the fraud, waste and abuse program.
- Provide subject matter expertise in Medicaid fraud, waste and abuse that includes the ability to perform comprehensive research of Indiana State Medicaid rules/policies in order to tailor the Respondent’s current library of algorithms and models to Indiana. These subject matter experts will also develop new algorithms and models based upon Indiana Medicaid’s legal, administrative, medical, and payment policies.
- For providers identified as receiving overpayments, assist the State through OMPP’s provider dispute process that includes responding to providers following the initial notification of overpayments, answering phone inquiries, reviewing provider documentation, tracking communications and status, and providing

- recommendations for resolution of overpayment disputes.
- Educate providers with overpayment issues in the proper reporting of health care services in order to permanently correct errors in billing. All training should be performed using a collaborative and provider-centric approach.
  - Assist the State in investigating complaints of alleged Medicaid fraud, waste, and abuse from individuals, members, and providers and conducting audits as necessary (provision of on-site subject matter experts with combined experience in the following areas: fraud and abuse, coding and reimbursement, claims processing).
  - Develop and maintain a process that identifies potential fraud, waste and abuse through undeclared client and provider relationships.
  - Provide directly, or subcontract with, an entity capable of performing the functions and services of a Recovery Audit Contractor.
  - Provide assistance to OMPP in defending the findings resulting from the use of the FADS at an administrative hearing or in court, if deemed necessary by OMPP.
  - Ongoing services to support the operation and maintenance of the algorithms and models developed during the initial development phase, as well as algorithms and models that are developed, modified and /or enhanced in response to changes in legislature, system technology or OMPP program needs.
  - Develop and maintain algorithms both in the Fee-for-Service (FFS), and Managed Care payment areas, which combine various imported data sets to identify program vulnerabilities and areas of cost savings.
  - Algorithm development services wherein Contractor collaborates with OMPP to identify and develop algorithms based on Indiana State rules, presents results, and works through the iterative process of development until approval by the State
  - Develop and maintain model capabilities which utilize FFS and managed care data.
  - Creation of overpayment data based on approved algorithms with the ability to generate overpayment notices.
  - Generation of data and special reports as requested by OMPP management.
  - Develop and maintain an audit workflow program that allows compilation and generation of audit work papers, audit reports, etc. Develop and maintain intuitive reporting tools that will allow users and management to request parameterized reports for the various areas in the FADS, e.g. case tracking reports, audit reports, and queries; this also includes providing a business intelligence tool which permits the State to develop both production and ad hoc reporting, including the ability to filter and drill down data. This tool shall also provide a repository to store and present that reporting.
  - Develop and maintain a case management system that integrates the audit processing activities, provider reviews, and quality of care reviews into a single tracking system. The result is expected to be a more thorough collaborative process in tracking fraud, waste and abuse activities with all FADS stakeholders from the initial lead through the audit and investigation process up to, and including where applicable, administrative or court proceedings, recovery and case resolution.
  - Provide record retention for all FAD related activities including clinical

- documentation, claims documentation and other pertinent information.
- A feature to track all algorithm results – whether they lead to overpayments or not. Ability to view and search on all providers identified in particular algorithms.
- Assist the State with maximizing Federal Financial Participation (FFP) relative to fraud, waste and abuse.
- The ability to upload FADS results into Indiana’s current and future MMIS when repayment is requested and be compliant with 42 CFR 456.3.
- The FADS solution should encompass provider self review functionality.

Respondents should propose what they believe to be the best overall approach – by integrating one or more products into a single technical solution and including expertise and services that demonstrate the ability to build a strong partnership with OMPP – to substantially meet the objectives and requirements of this RFS.

## 1.5 RFS OUTLINE

The outline of this RFS document is described below:

Section	Description
Section 1 – General Information and Requested Products or Services	This section provides an overview of the RFS, general timelines for the process, and a summary of the products/services being solicited by the State/Agency via this RFS
Section 2 – Proposal Preparation Instruction	This section provides instructions on the format and content of the RFS including a Letter of Transmittal, Business Proposal, Technical Proposal, and a Cost Proposal
Section 3 – Proposal Evaluation Criteria	This sections discusses the evaluation criteria to be used to evaluate respondents’ proposals
Attachment A	M/WBE Participation Plan Form
Attachment B	Sample Contract
Attachment C	Indiana Economic Impact Form
Attachment D	Scope of Work
Attachment E	Cost Proposal
Attachment F	Question/Inquiry Submission Template
Attachment G	Intent to Respond Form
Attachment H	Business Proposal Response Template
Attachment I	Bidder’s Library

## 1.6 QUESTION/INQUIRY PROCESS

All questions/inquiries regarding this RFS must be submitted in writing by the deadline of **3:00 p.m. Eastern Time** on *Friday, August 13, 2010*. Questions/Inquiries may be

submitted by email to [rfp@idoa.IN.gov](mailto:rfp@idoa.IN.gov) and must be received by Procurement Division by the time and date indicated above. Questions/inquiries should be submitted using the Question/Inquiry Submission Template (Attachment F)

Following the question/inquiry due date, Procurement Division personnel will compile a list of the questions/inquiries submitted by all Respondents. The responses will be posted to the IDOA website according to the RFS timetable established in Section 1.23. The question/inquiry and answer link will become active after responses to all questions have been compiled. Only answers posted on the IDOA website will be considered official and valid by the State. No Respondent shall rely upon, take any action, or make any decision based upon any verbal communication with any State employee.

Inquiries are not to be directed to any staff member of FSSA. Such action may disqualify Respondent from further consideration for a contract resulting from this RFS.

If it becomes necessary to revise any part of this RFS, or if additional information is necessary for a clearer interpretation of provisions of this RFS prior to the due date for proposals, an addendum will be posted on the IDOA website. If such addenda issuance is necessary, the Procurement Division may extend the due date and time of proposals to accommodate such additional information requirements, if required.

## **1.7 DUE DATE FOR PROPOSALS**

All proposals must be received at the address below by the Procurement Division no later than **3:00 p.m. Eastern Time on Monday, September 13, 2010**. Each Respondent must submit **one original hard-copy** (marked "Original") and **one original CD-ROM (marked "Original") and six hardcopies (marked "Copy") and two complete copies on CD-ROM** of the proposal, including the Transmittal Letter and other related documentation as required in this RFS. Ensure that the organization of electronic files all submitted discs are logical, and all files can easily be matched to their corresponding RFS sections. The **original** CD-ROM will be considered the official response in evaluating responses for scoring and protest resolution. **The respondent's proposal response on this CD may be posted on the IDOA website, (<http://www.in.gov/idoa/2462.htm>) if recommended for selection.** Each copy of the proposal must follow the format indicated in Section Two of this document. Unnecessarily elaborate brochures or other presentations, beyond those necessary to present a complete and effective proposal, are not desired. Proposals should be limited to no more than 125 pages. Additional information may be included as appendices or attachments and may or not be evaluated for scoring purposes. All proposals must be addressed to:

James Osborne  
Indiana Department of Administration  
Procurement Division  
402 West Washington Street, Room W478  
Indianapolis, IN 46204

### **If you hand-deliver solicitation responses:**

To facilitate weapons restrictions at Indiana Government Center North and Indiana

Government Center South, as of **July 21, 2008**, the public must enter IGC buildings through a designated public entrance. The public entrance to Indiana Government Center South is located at 302 W. Washington St. (the eastern-most Washington St. entrance). This entrance will be equipped with metal detectors and screening devices monitored by Indiana State Police Capitol Police.

Passing through the public entrance may take some time. Please be sure to take this information into consideration if your company plans to submit a solicitation response in person.

**If you ship or mail solicitation responses:** United States Postal Express and Certified Mail are both delivered to the Government Center Central Mailroom, and not directly to the Procurement Division. It is the responsibility of the Respondent to make sure that solicitation responses are received by the Procurement Division at the Department of Administration's reception desk on or before the designated time and date. Late submissions will not be accepted. The Department of Administration, Procurement Division clock is the official time for all solicitation submissions.

All proposal packages must be clearly marked with the RFS number, due date, and time due. Any proposal received by the Department of Administration, Procurement Division after the due date and time will not be considered. Any late proposals will be returned, unopened, to the Respondent upon request. All rejected proposals not claimed within 30 days of the proposal due date will be destroyed.

No more than one proposal per Respondent may be submitted.

The State accepts no obligations for costs incurred by Respondents in anticipation of being awarded a contract.

**All proposals submitted to the State should be double-sided and printed on 30% post-consumer recycled content paper or tree-free paper. When possible, soy ink should be used.**

## **1.8 PRE-PROPOSAL CONFERENCE**

A pre-proposal conference will be held on ***Tuesday, August 10, 2010 at 10:00AM Eastern Time in the Indiana Government Center South building, Conference Room B.*** At this conference, potential respondents may ask questions about the RFS and the RFS process. Respondents are reminded that no answers issued verbally at the conference are binding on the State and any information provided at the conference, unless it is later issued in writing, also is not binding on the State.

## **1.9 MODIFICATION OR WITHDRAWAL OF OFFERS**

Modifications to responses to this RFS may only be made in the manner and format described in Section 1.6 and clearly identified as a modification.

The Respondent's authorized representative may withdraw the proposal, in person, prior to the due date. Proper documentation and identification will be required before the Procurement Division will release the withdrawn proposal. The authorized representative

will be required to sign a receipt for the withdrawn proposal.

Modification to, or withdrawal of, a proposal received by the Procurement Division after the exact hour and date specified for receipt of proposals will not be considered.

### **1.10 PRICING**

Pricing on this RFS must be firm and remain open for a period of not less than 180 days from the proposal due date.

Please refer to the Cost Proposal sub-section under Section 2 for a detailed discussion of the proposal pricing format and requirements.

### **1.11 PROPOSAL CLARIFICATIONS AND DISCUSSIONS, AND CONTRACT DISCUSSIONS**

The State reserves the right to request clarifications on proposals submitted to the State. The State also reserves the right to conduct proposal discussions, either oral or written, with Respondents. These discussions could include request for additional information, request for cost or technical proposal revision, etc. Additionally, in conducting discussions, the State may use information derived from proposals submitted by competing respondents only if the identity of the respondent providing the information is not disclosed to others. The State will provide equivalent information to all respondents which have been chosen for discussions. Discussions, along with negotiations with responsible respondents may be conducted for any appropriate purpose.

The Procurement Division will schedule all discussions. Any information gathered through oral discussions must be confirmed in writing.

A sample contract is provided in Attachment B. Any requested changes to the sample contract must be submitted with your response (See Section 2.3.5 for details). The State reserves the right to reject any of these requested changes. It is the State's expectation that any material elements of the contract will be substantially finalized prior to contract award.

### **1.12 BEST AND FINAL OFFER**

The State may request best and final offers from those Respondents determined by the State to be reasonably viable for contract award. However, the State reserves the right to award a contract on the basis of initial proposals received. Therefore, each proposal should contain the Respondent's best terms from a price and technical standpoint.

Following evaluation of the best and final offers, the State may select for final contract negotiations/execution the offers that are most advantageous to the State, considering cost and the evaluation criteria in this RFS.

### **1.13 REFERENCE SITE VISITS**

The State may request a site visit to a Respondent's working support center to aid in the

evaluation of the Respondent's proposal. Site visits, if required, will be discussed in the technical proposal.

#### **1.14 TYPE AND TERM OF CONTRACT**

The State intends to sign a contract with one or more Respondent(s) to fulfill the requirements in this RFS.

The term of the contract shall be for a period of four years from the date of contract execution. There may be two one year renewals for a total of six (6) years at the State's option.

#### **1.15 CONFIDENTIAL INFORMATION**

Respondents are advised that materials contained in proposals are subject to the Access to Public Records Act (APRA), IC 5-14-3 *et seq.*, and, after the contract award, the entire RFS file may be viewed and copied by any member of the public, including news agencies and competitors. Respondents claiming a statutory exception to the APRA must place all confidential documents (including the requisite number of copies) in a sealed envelope clearly marked "Confidential" and must indicate in the Transmittal Letter and on the outside of that envelope that confidential materials are included. The Respondent must also specify which statutory exception of APRA that applies. The State reserves the right to make determinations of confidentiality. If the Respondent does not identify the statutory exception, the Procurement Division will not consider the submission confidential. If the State does not agree that the information designated is confidential under one of the disclosure exceptions to APRA, it may seek the opinion of the Public Access Counselor. Prices are not confidential information.

#### **1.16 TAXES**

Proposals should not include any tax from which the State is exempt.

#### **1.17 PROCUREMENT DIVISION REGISTRATION**

In order to receive an award, you must be registered as a bidder with the Department of Administration, Procurement Division. Therefore, to ensure there is no delay in the award all Respondents are strongly encouraged to register prior to submission of their response. Respondents should go to [www.in.gov/idoa/2464.htm](http://www.in.gov/idoa/2464.htm), then click on "Procurement" then "Bidding on State Contracts" then "Bidder Registration" to register.

#### **1.18 SECRETARY OF STATE REGISTRATION**

If awarded the contract, the Respondent will be required to register, and be in good standing, with the Secretary of State. The registration requirement is applicable to all limited liability partnerships, limited partnerships, corporations, S-corporations, nonprofit corporations and limited liability companies. Information concerning registration with the Secretary of State may be obtained by contacting:

Secretary of State of Indiana  
Corporation Division

402 West Washington Street, E018  
Indianapolis, IN 46204  
(317) 232-6576  
[www.in.gov/sos](http://www.in.gov/sos)

### **1.19 COMPLIANCE CERTIFICATION**

Responses to this RFS serve as a representation that it has no current or outstanding criminal, civil, or enforcement actions initiated by the State, and it agrees that it will immediately notify the State of any such actions. The Respondent also certifies that neither it nor its principals are presently in arrears in payment of its taxes, permit fees or other statutory, regulatory or judicially required payments to the State. The Respondent agrees that the State may confirm, at any time, that no such liabilities exist, and, if such liabilities are discovered, that State may bar the Respondent from contracting with the State, cancel existing contracts, withhold payments to setoff such obligations, and withhold further payments or purchases until the entity is current in its payments on its liability to the State and has submitted proof of such payment to the State.

### **1.20 EQUAL OPPORTUNITY COMMITMENT**

Pursuant to IC 4-13-16.5 and in accordance with 25 IAC 5, it has been determined that there is a reasonable expectation of minority and woman business enterprises subcontracting opportunities on a contract awarded under this RFS. Therefore a contract goal of 8 % for Minority Business Enterprises and 8 % for Woman Business Enterprises have been established and all respondents will be expected to comply with the regulation set forth in 25 IAC 5.

Failure to meet these requirements will affect the evaluation of your proposal.

### **1.21 MINORITY & WOMEN'S BUSINESS ENTERPRISES RFS SUBCONTRACTOR COMMITMENT**

In accordance with 25 IAC 5-5, the respondent is expected to submit with its proposal a MWBE Subcontractor Commitment Form. The Form must show that there are, participating in the proposed contract, Minority Business Enterprises (MBE) and Women Business Enterprises (WBE) listed in the Minority and Women's Business Enterprises Division (MWBED) directory of certified firms located at <http://www.in.gov/idoa/2352.htm>. If participation is met through use of vendors who supply products and/or services directly to the Respondent, the Respondent must provide a description of products and/or services provided that are directly related to this proposal and the cost of direct supplies for this proposal. Respondents must complete the Subcontractor Commitment Form in its entirety.

Failure to meet these goals will affect the evaluation of your Proposal. The Department reserves the right to verify all information included on the MWBE Subcontractor Commitment Form.

Respondents are encouraged to contact and work with MWBED at 317-232-3061 to design a subcontractor commitment to meet established goals as referenced in this



solicitation.

**Prime Contractors must ensure that the proposed subcontractors meet the following criteria:**

- Must be listed on the IDOA Directory of Certified Firms
- Each firm may only serve as once classification – MBE or WBE
- A Prime Contractor who is an MBE or WBE must meet subcontractor goals by using other listed certified firms. Certified Prime Contractors cannot count their own workforce or companies to meet this requirement.
- Must serve a commercially useful function. The firm must serve a value-added purpose on the engagement.
- Must provide goods or service only in the industry area for which it is certified as listed in the directory at <http://www.in.gov/idoa/2352.htm>
- Must be used to provide the goods or services specific to the contract
- National Corporate Diversity Plans are generally not acceptable

**Minority & Women's Business Enterprises RFS Subcontractor Letter of Commitment**

A signed letter(s), on company letterhead, from the MBE and/or WBE must accompany the MWBE Subcontractor Commitment Form. Each letter shall state and will serve as acknowledgement from the MBE and/or WBE of its subcontract amount, a description of products and/or services to be provided on this project and approximate date the subcontractor will perform work on this contract. The State will deny evaluation points if the letter(s) is not attached, not on company letterhead, not signed and/or does not reference and match the subcontract amount and the anticipated period that the Subcontractor will perform work for this solicitation.

By submission of the Proposal, the Respondent acknowledges and agrees to be bound by the regulatory processes involving the State's MWBE Program. Questions involving the regulations governing the MWBE Subcontractor Commitment Form should be directed to: Minority and Women's Business Enterprises Division at (317) 232-3061 or [mwbe@idoa.in.gov](mailto:mwbe@idoa.in.gov).

**1.22 AMERICANS WITH DISABILITIES ACT**

The Respondent specifically agrees to comply with the provisions of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 *et seq.* and 47 U.S.C. 225).

**1.23 SUMMARY OF MILESTONES**

The following timeline is only an illustration of the RFS process. The dates associated with each step are not to be considered binding. Due to the unpredictable nature of the evaluation period, these dates are commonly subject to change. At the conclusion of the evaluation process, all Respondents will be informed of the evaluation team's findings.

**Key RFS Dates:**

Activity	Date
Issue of RFS	August 3, 2010
Pre-Proposal Conference	August 10, 2010
Deadline to Submit Written Questions	August 13, 2010
Response to Written Questions/RFS Amendments	August 20, 2010
Submission of Proposals	September 13, 2010
<i>The dates for the following activities are target dates only. These activities may be completed earlier or later than the date shown.</i>	
Proposal Evaluation	Week of September 20, 2010
Proposal Discussions/Clarifications (if necessary)	Week of September 20, 2010
Oral Presentations (if necessary)	Week of September 27, 2010
Best and Final Offers (if necessary)	Week of October 4, 2010
Contract Award	Week of October 11, 2010

**1.24 EVIDENCE OF FINANCIAL RESPONSIBILITY (25 IAC 1.1-1-5)**

Evidence of financial responsibility, in the amount of \$1,000,000, will be required to guarantee the performance of the selected respondent after the contract is signed. The evidence of financial responsibility, which is due within 10 calendar days after the execution of the contract, must be made payable to “Indiana Department of Administration” and must be in the form of an irrevocable letter of credit, certified check, cashier's check, or a bond acquired from a surety company registered with the Indiana Department of Insurance, or other evidence deemed acceptable by the State. The evidence of financial responsibility must remain in effect for the duration of the contract including any/all renewals. Notwithstanding any other provisions relating to the beginning of the term, the contract shall not become effective until the evidence of financial responsibility required by the contract is delivered in the correct form and amount to IDOA Procurement. The evidence of financial responsibility must be submitted to the following address:

Procurement Division  
Indiana Department of Administration  
402 West Washington Street, W468  
Indianapolis, IN 46204

**1.25 INTENT TO RESPOND FORM**

Potential Respondents should fill out and return, by e-mail to [rfp@idoa.in.gov](mailto:rfp@idoa.in.gov), the

optional Intent to Respond Form (Attachment G) by 3 p.m. Eastern Time on Thursday, August 12, 2010.

## **1.26 MINIMUM MANDATORY QUALIFICATION REQUIREMENTS**

Prior to evaluating written proposals, the OMPP will determine, at its sole discretion, whether Respondent meets all of the Minimum Mandatory Qualification Requirements, and at its sole discretion, may disqualify any Respondent who does not meet (in OMPP's opinion) the Minimum Qualifications. This section of the Respondent's proposal may be the only section reviewed by the OMPP in determining whether the Respondent meets Minimum Mandatory Qualifications and the remainder of the RFS response will or will not be scored by the OMPP, pending that determination.

The Respondent must meet the following Minimum Mandatory Qualification Requirements. Respondent's proposal must explicitly affirm the ability to meet each individual requirement and demonstrate to OMPP's satisfaction how the requirement is met. The response to this Section shall be separate from the response to Attachment D, Scope of Work.

### **1.26.1 Current Solution**

The Prime Vendor on this procurement must have their proposed solution and technology currently in place and have relevant experience in the Medicaid Fraud, Waste and Abuse environment, in at least three State programs in a Prime Contractor capacity.

### **1.26.2 FADS Experience**

The Respondent must have the capacity, requisite experience, and expertise to provide comprehensive FADS services for the OMPP, in accordance with the provisions and requirements set forth. All Respondents must exhibit this experience and expertise for which they are bidding.

- Identify those State(s) in which the Respondent's proposed FADS is currently implemented and what fraud, waste and abuse detection services are provided.
- Clearly describe the Respondent's role in each engagement described above and state Respondent's level of responsibility (e.g., primary, subcontractor) for all phases of the project including requirements analysis, process design, construction, testing, final implementation, and services.
- Clearly describe the scope and scale of those projects, including the Respondent's performance in terms of schedule and budget. Explain positive and negative variances from the schedule and budget.
- Agree that OMPP reserves the right to contact all above client contacts and any other contacts provided by current or former clients and that this contact may be considered by OMPP in scoring the Respondent.
- Describe the Respondent's experience in developing and operating systems on the equipment and software platforms proposed for Indiana.
- State how many years experience Respondent has managing and staffing projects with complexity and scope comparable to that required by this RFS.
- Provide the contract Return on Investment (ROI) associated with the three (3) State customers mentioned in Section 1.26.1.

### 1.26.3 **Certification**

The Contractor's FAD system must be certified by the US Department of Health and Human Services Centers for Medicare and Medicaid Services (CMS) and qualify for the highest eligible rate for Federal Financial Participation (FFP) retroactive to the first day of operations. The Contractor must be ready for certifications within eight (8) months of the ~~implementation period begin~~ "Go Live" date. The CMS authority for requiring Federal certification is based, in part, on language found in Public Law 92-603, and the Code of Federal Regulations (CFR) at 42 CFR 433 and 45 CFR 95.611(d).

### 1.26.4 **Key Staff Experience and Knowledge**

The Respondent's proposed project team for Indiana must have experienced staff who have provided services and subject matter expertise, including but not limited to: fraud, waste and abuse detection and prevention using data mining techniques, identification of cost savings via either overpayment recoveries or cost avoidance, and provider relations contact and informal dispute resolution. Respondent's proposal must demonstrate and describe to OMPP's satisfaction the Respondent's experience in: 1) performing fraud, waste and abuse detection services related to government programs (e.g., Medicaid and Medicare), and 2) subject matter expertise in fraud, waste, and abuse including auditing, compliance and other consulting services.

The Respondent's proposed Key Staff must be experienced with implementing an advanced fraud and abuse detection system(s). Respondent's proposal must demonstrate and describe to OMPP's satisfaction that Respondent's proposed Key Staff have experience in implementing an advanced fraud and abuse detection system(s). Identify the staff person(s), their role(s) in implementing FADS Program(s), and the State(s) where it was implemented.

The Respondent's proposed Key Staff must have demonstrated high-level provider relations skills. Respondent's proposal must demonstrate and describe to OMPP's satisfaction that Respondent's proposed Key Staff are experienced with provider relations, and providing services and subject matter expertise as described above. Identify the staff person(s), their role(s) in providing the aforementioned services and subject matter expertise, and the State(s) where the services and subject matter expertise were provided.

Respondent shall commit to using the personnel identified in the proposal and agree that the OMPP reserves the right to require a change in successful Contractor's project personnel at the sole discretion of the OMPP. Further, Respondent shall agree that the OMPP will be given an opportunity to interview and approve potential replacements for that individual.

### 1.26.5 **Communication and Transparency Skills**

The Respondent must provide a well thought out communication plan that effectively reflects respondent's ability to work closely with FSSA/OMPP staff, additional state

agencies, contracted vendors, and providers. Provide examples of communication methodology for external (non-state) entities, including providers, members, vendors and other parties.

#### 1.26.6 Legal and Regulatory Knowledge and Experience

The Respondent's proposal must demonstrate knowledge of all regulatory authority including the Code of Federal Regulations (CFR), and be able to incorporate the Indiana Code, the Indiana Administrative Code, the State Plan, and the State Medicaid Manual into the proposed solution.

#### 1.26.7 Conflict of Interest

The Respondent must be an independent and disinterested actor in the detection and prevention of fraud, waste and abuse ~~and. The Respondent~~ may not, therefore, have any business relationships that may, or may appear to, allow Respondent to improperly benefit from detecting or failing to detect fraud, waste or abuse ~~unless the Respondent provides a plan or strategy as part of its proposal that, as determined by the State of Indiana in its sole discretion, successfully mitigates the Respondent's apparent, potential, and actual conflicts of interest. The Respondent must certify that it currently does not profit, directly or indirectly, from any type of relationship with the entity being audited. Such a Contractor would not be a responsible offeror (the definition of a responsible offeror is provided in Indiana Code 5-22-16-1).~~ The mitigation plan, if any, must clearly disclose any type of relationship between the Respondent and any entity that potentially could be audited and provide a satisfactory mitigation plan for each such entity subject to review and approval by the State of Indiana in its sole discretion. If the conflict(s) of interest can be successfully mitigated, then such conflict(s) of interest would not cause the Respondent to fail to be a responsible offeror as defined by Indiana Code 5-22-16-1.

If Respondent believes there are no existing business relationships that may result in apparent, potential or actual conflict(s) of interest, a statement to this effect must be included in the Proposal.

## **SECTION TWO**

### **PROPOSAL PREPARATION INSTRUCTIONS**

#### **2.1 GENERAL**

To facilitate the timely evaluation of proposals, a standard format for proposal submission has been developed and is described in this section. All Respondents are required to format their proposals in a manner consistent with the guidelines described below:

- Each item must be addressed in the Respondent's proposal.
- The Transmittal Letter must be in the form of a letter. The business and technical proposals must be organized under the specific section titles as listed below

#### **2.2 TRANSMITTAL LETTER**

The Transmittal Letter must address the following topics except those specifically identified as "optional."

##### **2.2.1 Agreement with Requirements in listed in Section 1**

The Respondent must explicitly acknowledge understanding of the general information presented in Section 1 and agreement with any requirements/conditions listed in Section 1.

##### **2.2.2 Summary of Ability and Desire to Supply the Required Products or Services**

The Transmittal Letter must briefly summarize the Respondent's ability to supply the requested services that meet the requirements defined in Section Two of this RFS. The letter must also contain a statement indicating the Respondent's willingness to provide the requested products and/or services subject to the terms and conditions set forth in the RFS including, but not limited to, the State's mandatory contract clauses.

Respondents should also utilize this section of the Transmittal Letter to briefly identify any specific RFS requirements that may be significantly increasing the cost and/or complexity of the proposed solution.

### 2.2.3 Signature of Authorized Representative

A person authorized to commit the Respondent to its representations and who can certify that the information offered in the proposal meets all general conditions including the information requested in Section 2.3.4, must sign the Transmittal Letter. **In the Transmittal Letter, please indicate the principal contact for the proposal along with an address, telephone and fax number as well as an e-mail address, if that contact is different than the individual authorized for signature.**

### 2.2.4 Respondent Notification

Unless otherwise indicated in the Transmittal Letter, Respondents will be notified via e-mail.

It is the Respondent's obligation to notify the Procurement Division of any changes in any address that may have occurred since the origination of this solicitation. The Procurement Division will not be held responsible for incorrect Vendor/Contractor addresses.

### 2.2.5 Other Information

This item is optional. Any other information the Respondent may wish to briefly summarize will be acceptable.

## 2.3 BUSINESS PROPOSAL

The Business Proposal must address the following topics except those specifically identified as "optional" and should be completed using the Business Proposal Response Template (Attachment H).

### 2.3.1 General (optional)

This section of the business proposal may be used to introduce or summarize any information the Respondent deems relevant or important to the State's successful acquisition of the products and/or services requested in this RFS.

### 2.3.2 Respondent's Company Structure

The legal form of the Respondent's business organization, the state in which formed (accompanied by a certificate of authority), the types of business ventures in which the organization is involved, and a chart of the

organization are to be included in this section. If the organization includes more than one product division, the division responsible for the development and marketing of the requested products and/or services in the United States must be described in more detail than other components of the organization.

#### 2.3.3 Company Financial Information

This section must include the Respondent's financial statement, including an income statement and balance sheet, for each of the two most recently completed fiscal years. The financial statements must demonstrate the Respondent's financial stability. If the financial statements being provided by the Respondent are those of a parent or holding company, additional financial information should be provided for the entity/organization directly responding to this RFS.

#### 2.3.4 Integrity of Company Structure and Financial Reporting

This section must include a statement indicating that the CEO and/or CFO has taken personal responsibility for the thoroughness and correctness of any/all financial information supplied with this proposal. The particular areas of interest to the State in considering corporate responsibility include the following items: separation of audit functions from corporate boards and board members, if any, the manner in which the organization assures board integrity, and the separation of audit functions and consulting services. The State will consider the information offered in this section to determine the responsibility of the Respondent under IC 5-22-16-1(d).

The Sarbanes Oxley Act of 2002, H.R. 3763, is NOT directly applicable to this procurement; however, its goals and objectives may be used as a guide in the determination of corporate responsibility for financial reports.

#### 2.3.5 Contract Terms/Clauses

A sample contract that the state expects to execute with the successful Respondent(s) is provided in Attachment B. All clauses in this contract are mandatory and non-negotiable. It is the State's expectation that the final contract will be substantially similar to the sample contract provided in Attachment B.

In your Transmittal Letter please indicate acceptance of all contract terms (see section 2.2.2). Respondents should review these clauses in detail, because a specific agreement to these clauses is required in the Transmittal Letter. **Failure to include a clear, specific, unequivocal agreement to all clauses may result in disqualification of the proposal from further evaluation.**



If you are requesting additional contract terms that are consistent with the sample contract in Attachment B, please include them in this section. To reiterate, it is the State's strong desire to not deviate from the contract provided in the attachment. The State reserves the right to reject any and all of these requested additional terms.

Any or all portions of this RFS and any or all portions of the Respondents response may be incorporated as part of the final contract.

### 2.3.6 References

The Respondent must include a list of clients for whom the Respondent has provided products and/or services that are the same or similar to those products and/or services requested in this RFS. Information provided should include the name, address, and telephone number of the client facility and the name, title, and phone/fax numbers of a person who may be contacted for further information. The State reserves the right to use its own past experience with the Respondent when scoring references.

Scores for this section will be based on Respondent references. OMPP reserves the right to conduct checks of Respondent references, by telephone or other means, and evaluate the Respondent based on these references. OMPP considers references to be extremely important. It is the Respondent's responsibility to ensure that every reference contact is available during the evaluation period.

The Respondent's proposal must:

- Include a minimum of five (5) Respondent customer references. All of these references must be from FADS or comparable projects. For every reference, the Respondent's proposal must provide the company name, contact name, contact job title, address, telephone number and e-mail for that reference.
- Agree that references must be independent of the Respondent's company/corporation (e.g. non-Respondent owned, in whole or in part, or managed, in whole or in part), and include a statement that each reference meets this requirement.
- Agree that OMPP reserves the right to contact all above customer references, and that this contact will be considered by OMPP in scoring the Respondent.
- Agree that OMPP reserves the right to contact any other entity or person it wants to contact with regard to the Respondent, including parties in addition to those recommended by the Respondent. Further, agree that this contact may be used by OMPP in scoring the Respondent.
- State that the Respondent has notified each client reference that they may be contacted by OMPP and has assured that each reference will be

available during the evaluation period. (See 1.23, Summary of Milestones for the approximate RFS evaluation period.)

Provide similar and separate information for the Respondent and every proposed subcontractor in response to this section's requirements.

### 2.3.7 Registration to do Business

#### Secretary of State

If awarded the contract, the Respondent will be required to be registered, and be in good standing, with the Secretary of State. The registration requirement is applicable to all limited liability partnerships, limited partnerships, corporations, S-corporations, nonprofit corporations, and limited liability companies. The Respondent must indicate the status of registration, if applicable, in this section of the proposal.

#### Department of Administration, Procurement Division

Additionally, respondents must be registered with the IDOA. This can be accomplished on-line at [www.in.gov/idoa/2464.htm](http://www.in.gov/idoa/2464.htm).

The IDOA Procurement Division maintains two databases of vendor information. The Bidder registration database is set up for vendors to register if they are interested in selling a product or service to the State of Indiana. Respondents may register on-line at no cost to become a Bidder with the State of Indiana. To complete the on-line Bidder registration, go to [www.in.gov/idoa/2464.htm](http://www.in.gov/idoa/2464.htm). The Bidder registration offers email notification of upcoming solicitation opportunities, corresponding to the Bidder's area(s) of interest, selected during the registration process. Respondents do need to be registered to bid on and receive email notifications. Completion of the Bidder registration will result in your name being added to the Bidder's Database, for email notification. The Bidder registration requires some general business information, an indication of the types of goods and services you can offer the State of Indiana, and locations(s) within the state that you can supply or service. There is no fee to be placed in Procurement Division's Bidder Database. To receive an award, you must be registered as a bidder.

Problems or questions concerning the registration process or the registration form can be e-mailed to Amey Redding, Vendor Registration Coordinator, at [aredding@idoa.in.gov](mailto:aredding@idoa.in.gov), or you may reach her by phone at (317) 234-3542.

### 2.3.8 Authorizing Document

Respondent personnel signing the Transmittal Letter of the proposal must be legally authorized by the organization to commit the organization contractually. This section shall contain proof of such authority. A copy of corporate bylaws or a corporate resolution adopted by the board of directors indicating this authority will fulfill this requirement.

### 2.3.9 Subcontractors

The Respondent is responsible for the performance of any obligations that may result from this RFS and shall not be relieved by the non-performance of any subcontractor. Any Respondent's proposal must identify all subcontractors and describe the contractual relationship between the Respondent and each subcontractor. Either a copy of the executed subcontract or a letter of agreement over the official signature of the firms involved must accompany each proposal.

Any subcontracts entered into by the Respondent must be in compliance with all State statutes and will be subject to the provisions thereof. For each portion of the proposed products or services to be provided by a subcontractor, the technical proposal must include the identification of the functions to be provided by the subcontractor and the subcontractor's related qualifications and experience.

The combined qualifications and experience of the Respondent and any or all subcontractors will be considered in the State's evaluation. The Respondent must furnish information to the State as to the amount of the subcontract, the qualifications of the subcontractor for guaranteeing performance, and any other data that may be required by the State. All subcontracts held by the Respondent must be made available upon request for inspection and examination by appropriate State officials, and such relationships must meet with the approval of the State.

The Respondent must list names, addresses and the states in which formed for any subcontractors that are proposed to be used in providing the required products or services. The subcontractor's responsibilities under the proposal, anticipated dollar amount for subcontract, the subcontractor's form of organization, and an indication from the subcontractor of a willingness to carry out these responsibilities are to be included for each subcontractor. This assurance in no way relieves the Respondent of any responsibilities in responding to this RFS or in completing the commitments documented in the proposal. The Respondent must indicate which, if any, subcontractors qualify as a Minority or Women Owned Business under IC 4-13-16.5-1. See Section 1.21 and Attachment A for Minority and Women Business information.

## **2.4 TECHNICAL PROPOSAL**

Respondents should refer to the Scope of Work (Attachment D) to prepare their Technical Proposal. Every point made in each section of Attachment D, the Scope of Work, should be addressed in the order given. The same outline numbers should be used in the response. RFS language should not be repeated within the response. Where appropriate, supporting documentation may be referenced by a page and paragraph number. However, when this is done, the body of the technical proposal must contain a meaningful summary of the referenced material. The referenced document must be included as an appendix to the technical proposal with referenced sections clearly marked. If there are multiple references or multiple documents, these must be listed and organized for ease of use by the State.

## **2.5 COST PROPOSAL**

Respondents must provide their Cost Proposals by completing the Cost Proposal Response Template (Attachment E) in its entirety. Please refer to the instructions tab of Attachment E for detailed instructions.

## **2.6 INDIANA ECONOMIC IMPACT**

All companies desiring to do business with state agencies must complete an “Indiana Economic Impact” form (Attachment C). The collection and recognition of the information collected with the Indiana Economic Impact form places a strong emphasis on the economic impact a project will have on Indiana and its residents regardless of where a business is located. The collection of this information does not restrict any company or firm from doing business with the State.

## **2.7 BUY INDIANA INITIATIVE/INDIANA COMPANY**

It is the Respondent’s responsibility to confirm its Buy Indiana status for this portion of the process. If a Respondent has previously registered its business with IDOA, go to [www.in.gov/idoa/2467.htm](http://www.in.gov/idoa/2467.htm) and click on the link to update this registration. Click the tab titled Buy Indiana. Select the appropriate category for your business. Respondents may only select one category. Certify this selection by clicking the check box next to the certification paragraph. Once this is complete, save your selection and exit your account. If a Respondent is claiming Buy Indiana status, it must specify this within its Transmittal Letter and submit supporting documentation with its proposal.

Respondents that have not previously registered with IDOA must go to [www.in.gov/idoa/2467.htm](http://www.in.gov/idoa/2467.htm) and click on the link to register. During the registration

process, follow the steps outlined in the paragraph above to certify your business' status. The registration process should be complete at the time of proposal submission.

**Defining an Indiana Business:**

“Indiana business” refers to any of the following:

- (1) A business whose principal place of business is located in Indiana.
- (2) A business that pays a majority of its payroll (in dollar volume) to residents of Indiana.
- (3) A business that employs Indiana residents as a majority of its employees.

Respondents claiming this status must indicate which of the provisions above qualifies them as an Indiana business. They must also fully complete the Indiana Economic Impact Form (Attachment C) and include it with their response.

The following is the policy concerning items 4 & 5 described below. Appropriate documentation must be provided with your proposal response supporting either claim made below:

- (4) A business that makes significant capital investments in Indiana.
- (5) A business that has a substantial positive economic impact on Indiana.

**Substantial Capital Investment:**

Any company that can demonstrate a minimum capital investment of \$5 million or more in plant and/or equipment or annual lease payments of \$2.5 million or more shall qualify as an Indiana business under category #4. If an out of state company does not meet one of these criteria, it can submit documentation/justification to the State for review for inclusion under this category.

**Substantial Indiana Economic Impact:**

Any company that is in the top 500 companies (adjusted) for one of the following categories: number of employees (DWD), unemployment taxes (DWD), payroll withholding taxes (DOR), or Corporate Income Taxes (DOR); it shall qualify as an Indiana business under category #5. If a Respondent needs assistance in determining if its business qualifies under this criterion, please send an email inquiry to [buyindianainvest@idoa.in.gov](mailto:buyindianainvest@idoa.in.gov) and you will receive a response within forty-eight (48) hours. If an out of state company does not meet one of these criteria, it can submit documentation/justification to the State for review for inclusion under this category.

## **SECTION THREE PROPOSAL EVALUATION**

### **3.1 PROPOSAL EVALUATION PROCEDURE**

The State has selected a group of personnel to act as a proposal evaluation team. Subgroups of this team, consisting of one or more team members, will be responsible for evaluating proposals with regard to compliance with RFS requirements. All evaluation personnel will use the evaluation criteria stated in Section 3.2. The Secretary of FSSA or her designee will, in the exercise of her sole discretion, determine which proposals offer the best means of servicing the interests of the State. The exercise of this discretion will be final.

The procedure for evaluating the proposals against the evaluation criteria will be as follows:

- 3.1.1 Each proposal will be evaluated for adherence to requirements on a pass/fail basis. Proposals that are incomplete or otherwise do not conform to proposal submission requirements may be eliminated from consideration.
- 3.1.2 Each proposal will be evaluated on the basis of the categories included in Section 3.2. A point score has been established for each category.
- 3.1.3 If technical proposals are close to equal, greater weight may be given to price.
- 3.1.4 Based on the results of this evaluation, the qualifying proposal determined to be the most advantageous to the State, taking into account all of the evaluation factors, may be selected by IDOA and OMPP for further action, such as contract negotiations. If, however, IDOA and OMPP decide that no proposal is sufficiently advantageous to the State, the State may take whatever further action is deemed necessary to fulfill its needs. If, for any reason, a proposal is selected and it is not possible to consummate a contract with the Respondent, IDOA may begin contract preparation with the next qualified Respondent or determine that no such alternate proposal exists.

### **3.2 EVALUATION CRITERIA**

Proposals will be evaluated based upon the proven ability of the Respondent to satisfy the requirements of the RFS in a cost-effective manner. Each of the evaluation criteria categories is described below with a brief explanation of the basis for evaluation in that category. The points associated with each category are indicated following the category name (total maximum points = 100). If any one or more of the listed criteria on which

the responses to this RFS will be evaluated are found to be inconsistent or incompatible with applicable federal laws, regulations or policies, the specific criterion or criteria will be disregarded and the responses will be evaluated and scored without taking into account such criterion or criteria.

***Summary of Evaluation Criteria:***

<b>Criteria</b>	<b>Points</b>
1. Adherence to Mandatory Requirements	Pass/Fail
2. Management Assessment/Quality (Business and Technical Proposal)	<b>35 points</b>
3. Cost (Cost Proposal)	<b>20 points</b>
4. Indiana Economic Impact	<b>15 points</b>
5. Buy Indiana	<b>10 points</b>
6. Minority (10) and Women Business (10) Subcontractor Commitment	<b>20 points</b>
<b>Total</b>	<b>100 points</b>

All proposals will be evaluated using the following approach.

**Step 1**

In this step proposals will be evaluated only against Criteria 1 to ensure that they adhere to Mandatory Requirements. Any proposals not meeting the Mandatory Requirements will be disqualified.

**Step 2**

The proposals that meet the Mandatory Requirements will then be scored based on Criteria 2 and 3 ONLY. This scoring will have a maximum possible score of 55 points. All proposals will be ranked on the basis of their combined scores for Criteria 2 and 3 ONLY. This ranking will be used to create a “short list”. Any proposal not making the “short list” will not be considered for any further evaluation.

Step 2 may include one or more rounds of proposal discussions focused on cost and other proposal elements.

**Step 3**

The short-listed proposals will then be evaluated based on all the entire evaluation criteria outlined in the table above.

If the State conducts additional rounds of discussions and a BAFO round which lead to changes in either the technical or cost proposal for the short listed Respondents, their scores will be recomputed.

The section below describes the different evaluation criteria.

3.2.1 Adherence to Requirements – Pass/Fail

Respondents passing this category move to Phase 2 and proposal is evaluated for Management Assessment/Quality and Price.

3.2.2 Management Assessment/Quality - 35 points

3.2.3 Cost – 20 points

3.2.4 Indiana Economic Impact (15 points)

See Section 2.6 for additional information.

The total number of full time equivalent (FTE – please see Section 1.2 for a definition of FTE's) Indiana resident employees for the Respondent's proposal (Prime Contractor and subcontractors) will be used to evaluate the Respondent's Indiana Economic Impact. Points will be awarded based on a graduated scale. The Respondent with the most Indiana FTEs will be awarded 15 points. Points will then be awarded to the remaining Respondents proportionately.

3.2.5 Buy Indiana Initiative – 10 points

Respondents qualifying as an Indiana Company as defined in Section 2.7 will receive 10 points in this category.

3.2.6 Minority (10 points) & Women's Business (10 points) Subcontractor Commitment - (20 points).

The following formula will be used to determine points to be awarded:

The commitment factor for each proposal will be calculated by multiplying the commitment percentage by one hundred. The RFS score ratio will be determined by dividing the maximum allowable points by the highest commitment factor. The proposal with the highest commitment factor will be given the maximum allowable points. The points awarded to the other proposals will be calculated by multiplying the score ratio by the proposed commitment factor.

Commitment percentage \* 100 = commitment factor

Maximum allowable points/highest commitment factor = score ratio

Commitment factor \* score ratio = points awarded



The Secretary of FSSA or her designee will, in the exercise of her sole discretion, determine which proposal(s) offer the best means of servicing the interests of the State. The exercise of this discretion will be final.